



CALPEEK

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CAMPAIGN 2002: CONNERLY'S NEW PROP. 209 IS SET FOR TURN IN – BUT HE'S AIMING FOR 2004, NOT 2002.

Editor's note: The deadline for submitting signatures for Ward Connerly's Classification By Race, Ethnicity, Color or National Origin constitutional amendment was April 19th and past Calpeek's deadline. But here's what's of interest: Connerly and his backers don't want this controversial initiative on the Nov. 5, 2002 ballot. Connerly isn't the only one. Here is our update & analysis...

...It's a little late in the game, but sources say Connerly wants a pass on November 2002 because he fears his proposal will be overshadowed by the gubernatorial contest. But there's more to it than that. This new initiative is a follow-up to Connerly's 1996 Prop. 209, which banned affirmative action in public employment, public education and public contracting. The new Racial Privacy Initiative bans state and local govt. from using race, ethnicity, color or national origin to classify current or prospective students, contractors or employees in public education, contracting or employment operations. Gender classification is OK and law enforcement data is supposed to be exempt...

...The plan to get this on the 2004 primary ballot involves a rather risky strategy: the proponents say by *withholding* a certain amount of signatures, it will trigger the longer, full count by county registrars – and thus they'll miss the June 27th deadline for qualifying for the Nov. 5, 2002 ballot. That's the theory. Calpeek sources think Connerly & Co. will need to hire John Nash (*A Beautiful Mind*) to crunch the numbers to make this thing work. This initiative needs 670,816 valid signatures. Best guess is that Connerly's Sacto-based American Civil Rights Coalition (working with Roseville-based Nat'l Petition Management) is aiming for more than 1 million signatures...

...But here's part of the problem: other than Arnold Schwarzenegger's After School Education & Safety Act initiative (turned in April 17th) there's nothing else at the registrars offices. In other words, even with a full count this initiative may still qualify for November 2002...

...The politics of the Racial Privacy Initiative are not as complex as the math. Should it qualify for November, it will turn into a big *wedge issue* – and it won't prove helpful to GOPers. This is why the CA Republican Party is staying away from Connerly's latest proposal. Connerly's initiative has already drawn fire from the NAACP, the Mexican Amer. Legal Defense & Educ. Fund and the ACLU. Conservatives fear that if this initiative is on the ballot, it will dramatically increase minority voting, especially among Latinos. And don't forget that Latinos have several reasons for turning out in big numbers anyway come November: confirmation of new Calif. Supreme Court Justice Carlos Moreno and Lt. Gov. Cruz Bustamante. And there's also GOP IC candidate Gary Mendoza. FYI: thus far the only political party to endorse this initiative is the Libertarian Party of CA. Stay tuned...

CAMPAIGN 2002: GARAMENDI GETS THE TITLE OF "THE MAN THE INSURANCE INDUSTRY HATES MOST"

Editor's note: Former Insurance Comm. John Garamendi(D) is once again running for the job he held from 1991-95. He was Calif.'s first elected insurance commissioner. Two weeks ago we profiled Garamendi's GOP rival, former Corporations Commissioner/attorney Gary Mendoza. This week we'll focus on Garamendi who is considered a favorite to win this office once again. Here's our update & analysis...

...As noted in that Mendoza story, Calpeek sources think it will be difficult for any GOPer to win this office after the misdeeds of ousted IC Chuck Quackenbush(R) were exposed, including his cozy relationship with the insurance industry. Indeed it was Q's intent to use the IC's job to eventually run for higher office in 2002. Had the L.A. Times not run its expose, it's possible Q might have become the GOP nominee for governor...

...Now to Garamendi. With the 56-year-old Garamendi on the ballot, the insurance industry has a guy who won't take prisoners. That's why the industry regards Garamendi as "The man they hate the most." It's a badge Garamendi isn't ashamed of. The big question is whether the insurance industry can find a way to help Mendoza without leaving *finger prints*...

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...Garamendi won the Demo primary with 787,302 votes, beating Tom Umberg(577,218) and Assemblyman Tom Calderon(471,019). The only fireworks during a totally un-exciting Demo primary was when both Umberg and Garamendi bashed Calderon for taking tons of insurance industry money. The bashing turned out to be the *kiss of death* for Calderon's campaign. The *finger prints* were very clear in Calderon's case and that's why he got bashed by editorial writers and the news media in general...

...There's no doubt that Garamendi is an ambitious political figure. He's run for governor twice and once before for IC. This will be his 4th statewide race. And were he to be reelected as IC this year, there's little doubt that he'd once again seek to run for higher office in 2006 – probably joining AG Bill Lockyer(D), CA Treasurer Phil Angelides(D) and Lt. Gov. Cruz Bustamante(D) in a battle for governor...

...During his tenure as IC, Garamendi got fairly good marks from the consumer groups who backed Prop. 103. He was responsible for roll backs on auto insurance rates and generally kept all rates in line. He started a study on zip codes in auto insurance pricing, but never finished it. When Chuck Q became the IC, he killed the study, according to sources. Bottomline: had Garamendi run for reelection in 1994 there is little doubt that he would have finished up what he started and would have been given a gold star by the consumer groups. But he didn't stay...

...On the negative side, there's the never ending story of Executive Life, a publicly traded insurance giant which went belly up in 1991 – on Garamendi's watch. It's very complex story and there are those who say Garamendi did the right thing at the time, but in hindsight it didn't work out. Regardless, many believe Garamendi acted honorably. (FYI: the best story about Executive Life was written by L.A. Times staffer William Rempel – 9/9/01). The issue was only touched upon a few times during the primary due to its complex nature, but bet your first born that Mendoza's campaign will try to make Executive Life into a campaign issue...

...FYI: Demo consultant Bill Carrick will once again handle tv/media, while consultant Darry Sragow will provide strategy and Pam Neifert will be the daily cmp. manager. Stay tuned...

THE PRICE OF CALPEEK WILL GO UP NEXT YEAR

It should not come as any surprise with the cost of 1st class postage going up from 34 cents to 37 cents in June that Calpeek will raise its base price of \$90 in 2003. We've been through at least 6 postage rate hikes without increasing our base price. We'll probably raise the price by \$5. Stay tuned.

CAMPAIGN 2002: CALIF.'S CENTRAL VALLEY WILL BE GROUND ZERO FOR NOVEMBER 5TH ELECTION.

Editor's note: From the suburbs of Sacramento down to Bakersfield, Calif.'s Central Valley this will be *Ground Zero* in the upcoming Nov. 5th general election. *Calpeek* has IDed 6 contests to follow for 2002. Here's our update & analysis...

...Politically, the Central Valley is moderate-to-conservative turf, but usually votes GOP when it comes to State-wide candidates, but there are exceptions. Voters are pro-law & order and pro-family values. FYI: while the Demos were in the process of remapping the districts, BOE member Dean Andal(R) was spending \$200,000 on a massive GOP registration drive in the areas around Stockton, Turlock, Modesto and Merced. This is why a number of these seats, which were thought to be safe Demo, are now toss ups. FYI: sources tell *Calpeek* that the Assembly and Senate Demos have just launched their own voter registration drives...

☒ **18th CD** – This is U.S. Rep. Gary Condit's seat, but he won't be the Demo nominee against State Sen. Dick Montieth(R). Instead, it will be Demo Assemblyman Dennis Cardoza, once one of Condit's closest allies. *Calpeek* has given this contest heavy coverage, as it is one of the few CDs that is considered up for grabs, despite the fact that the Demos have a 47.11% vs. 40.54% registration edge. Here the GOP registration drive closed a large gap. The big question in this contest is whether Cardoza can do the *kiss & make-up* number with Condit and his supporters. If he isn't successful in patching things up, Montieth has an excellent shot at capturing this seat for the GOP. This contest pits Townsend Ramundo Besler & Usher (Cardoza) vs. Joe Justin (Montieth)...

☒ **12th SD** – This SD was carved out for Demo Dennis Cardoza, but he was persuaded to run for Condit's seat. In the primary, former Demo Assemblyman Rusty Arcias of Merced Co. creamed Modesto attorney Armando Flores, but that was almost a given. The big *upset* occurred on the GOP side where former Assemblyman Peter Frusetta was knocked off by conservative Jeff Denham of Salinas. Some GOP senators were not convinced that Frusetta could be trusted as a solid party-line vote and thus they backed Denham. This may come back to bite them. The registration is 46.21% (D) vs. 39.58%(R), but this seat is the only competitive SD in Calif. and our sources say the GOP will match Demos in spending. Chris Jones has been replaced by Johnson/Clark Assoc. as the lead consultant,

but remains with the Denham campaign. Areias hired consultant Richie Ross. So this is another Ross vs. Wayne Johnson battle. Ross won the last time (with Machado over Nakanishi), but Johnson beat Ross when Frusetta knocked off Lilly Cervantes twice in the old 26th AD...

☒ **17th AD** – Incumbent Demo Assemblywoman Barbara Mathews of Tracy will face GOP attorney Brian McCabe of Merced. This is another AD where the heavy GOP registration has closed a big gap. The current registration is 46.58%(D) vs. 41.64%(R). And anytime GOP registration is in this range, the seat is competitive. Ross is the Demo consultant vs. Joe Justin for McCabe. This AD leans Demo, but it's on the Demo defend list...

☒ **30th AD** – Normally this seat would not be on the table for the GOP, but given the bitterness of the Demo primary, it's on *Calpeek's* watch list. The registration is 47.71%(D) vs. 38.24%(R). The Demo is Nicole Parra, daughter of Kern Co. Sup. Pete Parra and an aide to U.S. Rep. Cal Dooley. The GOPer is businessman Dean Gardner of Bakersfield. This is GOP consultant Chris Jones key race. He'll square off against Ross. As noted above, this was a bitter Demo primary between Parra and Wasco farmer Jim Crettol, who was backed by Sen. Jim Costa and supporters of Assemblyman Dean Florez(D-Shafter). Parra creamed Crettol by 25-points. But during the campaign Crettol portrayed himself as the moderate vs. Parra as the liberal. There needs to be some *kiss & make-up* here to make sure this seat stays in Demo hands...

☒ **10th AD** – This open AD is on *Calpeek's* watch list because there might be some major independent expenditures against the frontrunner, Dr. Alan Nakanishi(R-Lodi). His Demo opponent will be Katherine Maestas of Elk Grove. She raised very little money in the primary and didn't even have a consultant. Totally grassroots. But that won't cut it against Nakanishi in the general. Johnson/Clark Assoc. handle Nakanishi; no consultant thus far for Maestas. Registration is 40.03%(D) vs. 44.34%(R). Leans GOP...

☒ **26th AD** – This open AD is another Johnson vs. Ross battle. Here the odds are in GOP's favor because registration is 42.94%(D) vs. 44.54%(R). The GOP registration drive helped push these numbers too. In this battle Stockton businessman/school trustee Greg Ag-hazarian makes his 2nd run for the assembly. Demo Barbara Mathews defeated him in 2000. The Demo is Tom Hallinan, who is the contract city attorney in Modesto. Leans GOP for the time being, but it is on our watch list. Stay tuned...

L.A. CITY POLITICS: FEW WINNERS IN THE FIRING OF L.A. POLICE CHIEF PARKS, EXCEPT FOR UNION.

Editor's note: There are probably very few *Calpeek* readers who haven't heard about the brouhaha on whether L.A. Police Chief Bernard Parks should have his contract renewed for another 5 years. The Police Commission recently voted 4-1 to **not** renew Parks' contract and on April 17th the L.A. Council upheld that decision. Will there be more fireworks – legal and political?? Here's our analysis & commentary...

...Politically there were few winners in this battle. But most sources agree L.A. Mayor Jim Hahn has probably suffered the most damage from this 2-month debate which began when Hahn announced he would not support another term for Parks. Hahn's big mistake: he announced his decision publicly at the beginning of Black History Month. Bad timing, Mr. Mayor. For those readers not in L.A.'s media market, Parks is African-American. The irony is that during the 2001 campaign for mayor, Hahn was supportive of Parks, while sources recall that most of the other candidates were either non-committal or wanted to replace Parks with their own choice. Will Hahn be able to repair the damage with L.A.'s Black community? Doubtful...

...During a 65-minute speech in L.A. Council chambers April 16th Parks bashed against Hahn and the Police Commission, but saved his most negative comments for the L.A. Police Protective League(LAPPL). Sources agree Parks burned most of his bridges during this speech and he sounded more like a *disgruntled worker* than anything else. And this is a guy who is very bright and is generally well liked. Parks' problem early on was that he firmly believed he would get a new contract and yet advisors and insiders he met with during this period told him he was in deep trouble. He wasn't listening...

...Politically, the LAPPL was a winner in this battle. They did a solid job in defining Parks and the key issues. The LAPPL issues were these: 1) poor morale among officers; 2) an almost non-stop loss of rank & file officers to other departments; and 3) higher crime rates. The LAPPL's campaign was run like a political battle, with the blueprint designed by the L.A. office of Weber Shandwick. Some of the LAPPL issues were on Hahn's list too, but he had other problems with Parks: 1) Parks opposed the consent decree signed by the city to keep the LAPD from coming under the control of the Feds; 2) Parks was against flexible work schedules; 3) Parks didn't like community policing; and 4) Parks chafed at civilian oversight of his department. Hahn, like others, saw the chief as being very *inflexible*...

...What is Parks' future? After 37 years of service to the LAPD, he can retire on 90% of his more than \$200,000 annual salary – OR he might consider running for the L.A. City Council. Sources think he'd be a slam dunk to win L.A. Councilman Nate Holden's seat in 2003. And if he were to run and win, then he might decide to set his sights a *little higher*. Sounds like the S.F. version of Agnos vs. Jordan could come to L.A. in 2005. Stay tuned...

CALPEEK'S CALENDAR OF POLITICAL EVENTS

Apr. 25	Pat Brown Inst.'s 21 st annual awards dinner, Biltmore Hotel, L.A.
May 14	CORO So. Calif. 27 th annual Public Affairs Awards dinner, Skirball Cultural Center, L.A.
June 4	Long Beach muni runoff election.
June 27	Last day for initiatives to qualify for November 2002 general election ballot.
July 31	State campaign reports due.
Aug. 31	Final day of CA Legislative session for 2002.
Sept. 27-29	CRP State Convention, Hayatt Regency, Anaheim, CA.
Sept. 30	Last day for Governor to sign bills.
Oct. 21	Last day to register for November election.
Nov. 5	Calif. General Election.

CALPEEK'S INFOBAHN: POLITICAL SHORT TAKES.

Editor's note: Here are a few items, political & otherwise, worth noting...

■ **Parsky Vs. Simon Clarification** – In *Calpeek's* Apr. 8th story about Tension & Turmoil in the CA GOP ranks, we said that Bush Calif. go-to-guy Gerald Parsky was quoted in a NY Times story by Richard Berke as saying, "Mr. Simon is an 'extreme conservative' who probably cannot be elected." Parsky says that's not what he told Berke and he's correct. The key Parsky quote (in *ital*) from Berke's March 6th story was this: "*If you are an extreme conservative, you cannot win in Calif..*" Parsky said Simon could win only "*if he is prepared to adopt the formula I describe*" to broaden the party. This particular Parsky quote from Berke's story surfaced again (4/14) in an AP story by Seth Hettena...

■ **O'Neill's Write-in Get Her in Runoff** – Long Beach Mayor Beverly O'Neill beat the odds April 9th by coming in first in that city's muni election – as a write-in candidate. She was barred from being on the ballot because of term limits. O'Neill got 27.5% and faces a June 4th runoff with Vice Mayor Dan Baker, who got 24%. Baker's name will be the only one on the ballot. For O'Neill to be reelected, she must do the write-in campaign a 2nd time...

■ **Simon's Tax Returns MIA** – The GOP gubernatorial candidate Bill Simon Jr. is drawing a line in the sand and won't release his tax returns (and he's asked the IRS for an extension). It's the kind of issue that Calif. Demo Party spin MD Bob Mulholland and Davis campaign spin MD Roger Salazar love to exploit and they're scoring hits. Here's Mulholland to Simon: "*You couldn't meet the deadline! Why? Is Arthur Anderson doing you tax return or are you having trouble covering up any Enron connections?*" Salazar's style is somewhat lighter: "*Maybe he's got a tax loophole or two he doesn't want to share with the rest of us. Or maybe his business skills aren't as sharp as he claims and he took a hit last year.*"...

■ **Will Daylight Savings Time Save Energy?** – U.S. Reps. Brad Sherman(D-San Fernando Valley) and Duncan Hunter(R-San Diego) have introduced the Daylight Savings Time Study Act, asking the Sec. of Energy to study the impact of national, year-round daylight savings time on fossil fuel consumption. Their bill is HR 4212...

■ **Calpeek's Legal File** – South Gate City Treasurer Albert Robles is out on \$500,000 bail after being arrested 10 days ago on charges of making murderous threats against State Sen. Martha Escutia(D-Whittier) and her husband, political consultant Leo Briones, as well as Assemblyman Marco Firebaugh(D-South Gate) and a police officer. He's also charged with possession of two illegal weapons. Robles' attorney says it's all politics and that DA Steve Cooley was being used by Robles' enemies...

CALPEEK'S MARKETPLACE NETWORK

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